

DEPARTMENT OF TRANSPORTATION**Research and Special Programs
Administration****49 CFR Parts 173 and 179****[Docket No. HM-174; Notice No. 80-6]****Shippers; Specifications for Tank Cars
Correction**

In FR Doc. 80-21932 appearing at page 48671 in the issue for Monday, July 21, 1980, make the following correction:

On page 48673, in the third column, in the section analysis for § 179.31, in the last paragraph, in the 18th line, between the words "couplers" and "retrofit" insert "and thus, believe that the remaining 73,000 tank cars can have shelf couplers".

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**National Highway Traffic Safety
Administration****49 CFR Part 531****[Docket No. LVM 77-05; Notice 4]****Passenger Automobile Average Fuel
Economy Standards; Proposed
Decision To Grant Exemption to
Excalibur Automobile Corp.**

AGENCY: National Highway Traffic Safety Administration (NHTSA), Department of Transportation.

ACTION: Proposed decision to grant exemption from average fuel economy standards and to establish alternative standards.

SUMMARY: This notice is being issued in response to a petition by Excalibur Automobile Corporation (Excalibur) requesting that it be exempted from the generally applicable average fuel economy standards of 19.0 miles per gallon (mpg) and 20.0 mpg for 1979 and 1980 model year passenger automobiles, respectively, and that lower alternative standards be established for it. This notice proposes that the requested exemptions be granted and that alternative standards of 11.5 mpg and 16.2 mpg be established for those model years.

DATE: Comment closing date: September 15, 1980.

ADDRESSES: Comments on this notice must refer to Docket No. LVM 77-05 and should be submitted to: Docket Section, National Highway Traffic Safety Administration Room 5108, 400 Seventh Street SW., Washington, D.C. 20590. The Docket Section is open Monday through Friday from 8 a.m. to 4 p.m.

FOR FURTHER INFORMATION CONTACT: Robert Mercure, Office of Automotive Fuel Economy Standards, National Highway Traffic Safety Administration, Washington, D.C. 20590 (202-755-9384).

SUPPLEMENTARY INFORMATION: Section 502(c) of the Motor Vehicle Information and Cost Savings Act, as amended (the Act), provides that a low volume manufacturer of passenger automobiles may be exempted from the generally applicable average fuel economy standards for passenger automobiles if those standards are more stringent than the maximum feasible average fuel economy for that manufacturer and if the National Highway Traffic Safety Administration (NHTSA) establishes an alternative standard for the manufacturer at its maximum feasible level: Under the Act, a low volume manufacturer is one which manufactures less than 10,000 passenger automobiles worldwide in the model year for which the exemption is sought (the affected model year) and which manufactured less than 10,000 passenger automobiles worldwide in the second model year before the affected model year. In determining maximum feasible average fuel economy, the agency is required by section 502(e) to consider:

- (1) Technological feasibility;
- (2) Economic practicability;
- (3) The effect of other Federal motor vehicle standards on fuel economy; and
- (4) The need of the Nation to conserve energy.

Selection of the type of alternative standard. The Act permits NHTSA to establish an alternative average fuel economy standard applicable to exempted manufacturers in one of three ways: (1) a separate standard may be established for each exempted manufacturer; (2) classes, based on design, size, price, or other factors, may be established for the automobiles of exempted manufacturers, with a separate average fuel economy standard applicable to each class; or (3) a single standard may be established for all exempted manufacturers.

The NHTSA believes that is appropriate to establish a separate standard for Excalibur. The analyses of the petitions submitted by other low volume manufacturers for exemptions in the 1979 and 1980 model years have not yet been completed, so the agency cannot practicably use the second or third approaches described in the preceding paragraph.

Requested alternative standard. In its petition, Excalibur requested that its alternative standard for model years 1979 and 1980 be set at 12.0 mpg and 14.0 mpg respectively. In an amendment

to its petition, the company requested an alternative standard for 1979 of 11.0 mpg which was based upon results of Environmental Protection Agency (EPA) tests for model year 1978. In evaluating these requests and in setting today's proposed alternative standards, the agency has employed the methodology described below.

Methodology employed for setting alternative standards. The methodology employed in this exemption rulemaking differs in some respects from that typically used in the promulgation of generally applicable fuel economy standards. Typically, the agency begins promulgating these standards several years in advance of the model years in which they will apply. In establishing these standards, the agency first selects a baseline model year for which Environmental Protection Agency (EPA) data exist. Then the agency projects the fuel economy improvements that could be obtained by making technological changes in the baseline vehicles. In accord with the statutory criteria discussed earlier, the agency bases these projections on technological changes which analysis shows to be feasible and economically practicable (see, for example, 42 FR 33534, June 30, 1977, Passenger Automobile Fuel Economy Standards, Final Rule). Once completed, these projections are published as a notice of proposed rulemaking for public comment. For at least some of the technological changes, the manufacturers submit test data that permit the agency to refine its projections. A final rule reflecting the refined projections is then issued.

A methodology which relies on projections is necessarily less exact than one that relies on tests of baseline vehicles in which all of the feasible and economically practicable technological changes have already been made. However, when setting generally applicable fuel economy standards well before production of the vehicles to which they will apply the agency cannot rely on such tests and thus, projection is the best available method.

In this particular proceeding, however, the NHTSA is not rulemaking in advance of the model years for which it is setting the standards. The vehicles subject to these standards have already been produced and the 1979 models have undergone EPA fuel economy testing. To determine the fuel economy benefits of the technology actually incorporated into these vehicles, the agency does not have to use its less exact projection methodology. Instead, with respect to model year 1979 vehicles, the NHTSA can rely on EPA